



reSTOREing dc

A Monthly Update for Businesses and Consumers in the District of Columbia

AUGUST 2005
VOLUME 2 ■ ISSUE 5

IN THIS ISSUE

Cross Promotion Strategies Pay Off for Several Businesses in U Street

In the Trenches: Planning a Cross-Promotional Event



★ ★ ★
Anthony A. Williams
Mayor

reSTOREing DC is published by the staff of reSTORE DC, under the auspices of the Office of the Deputy Mayor for Planning and Economic Development. It communicates important policy updates, program highlights, business bits, and other information relevant to the business community in the District of Columbia.

reSTORE DC
www.restoredc.dc.gov | 202 478-1356

CROSS-PROMOTION

by Barry Margeson

Have you ever ...

Gone shopping and had the store validate your parking? Asked a cashier to refer a different store? Made a shopping list of unrelated items—like birthday card, cat food and a screwdriver? Browsed for the perfect present at four different gift stores? Or over the course of an evening: Eaten dinner at a restaurant, shopped at a nearby bookstore while waiting for a movie, ate an after-movie ice cream a block away, and then had drinks with friends across the street?

What do these events have in common?

This issue of reSTOREing DC considers one of the options available for making a business district more competitive with shopping malls and superstores — it's called Cross-Promotion. It's the practice of businesses working together to promote each other — regardless of the products or services they offer — to increase sales for all merchants.

The best way to understand cross-promotion is to examine how it works in DC.

One of the exciting spots for cross-promotion is the commercial area of 14th and U Streets, NW. A small group of businesses on the 1500 block of U Street banded together and developed three cross-promotional strategies that are making more money for all of the businesses!

1. A map of the 1500 Block of U Street, NW: this simple handout is made from a half sheet of 8 ½" x 11" cardstock and includes a map, the names and addresses of all of the independent retailers on the block, and fun descriptions of what they sell. This handout is available in each store and enables customers who shop at one store to know more about the other nearby shops.

2. A "1500 Block Passport": this customer loyalty tool is made from 1/3 of a sheet of 8 ½" x 11" colored paper. It folds into the size of a credit card so that customers can carry it with them.

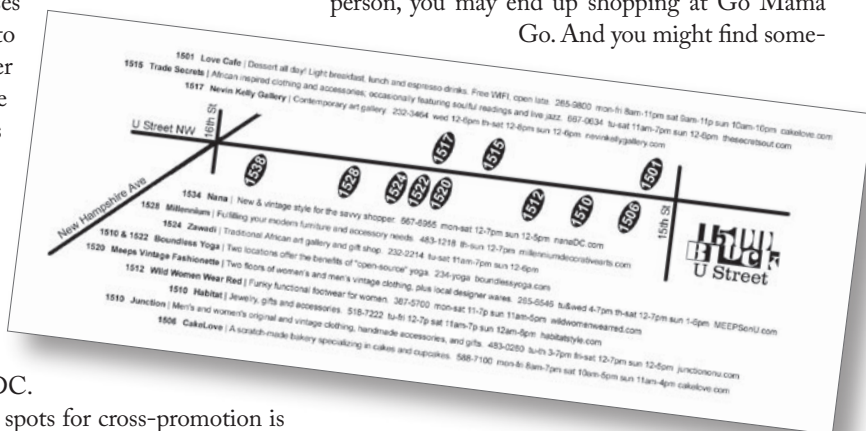
3. A monthly event called "Third Thursday Shopper's Social": On the third Thursday of each month, each business stays open later in the evening and offers free appetizers and special discounts on products, as well as other interesting offers to make shopping more fun.

Another cross-promotional success story was achieved by the stores at the corner of 14th and S Streets, NW. Garden District, Pop, Pulp, Home Rule, Go Mama Go, Estilo and Paraiso Market

painted their storefronts with coordinated, eye-popping colors that are hard to miss. As a result, these seven stores have been featured in countless articles about one of DC's exciting retail scenes.

Skeptical merchants often fear that cross-promotion increases competition. As an example, sometimes multiple gift stores that are near each other will consider themselves competitors. In reality, this is seldom the case. The point they are missing is that shoppers will come to a business district as a destination because there are gift stores next to each other. Think like a shopper — each of your friends is very different from the other. If you want to find the perfect gift for each person, then you want to have as many choices as possible.

Consider the three neighboring gift shops Pulp, Home Rule, and Go Mama Go. If you are shopping for one person, you may end up buying at Home Rule. If you are shopping for another person, you may end up shopping at Go Mama Go. And you might find some-



thing for yourself at Pulp. Yet on each shopping trip, you want to have the choices available to you from all three of these great retailers — everybody wins.

Last month, at the request of Historic Brookland Main Street, we presented our findings on "Proven Cross-promotions." In support of the cross-promotion theme, a Business Mixer breakfast was hosted at Dwellings, a new home furnishings store located on 12th Street, NE. The event brought together shoppers, merchants and local officials to learn more about how businesses can profitably mix and match their goods. And for that one morning, Dwellings temporarily became a restaurant when it offered coffee, muffins, and danishes from the Ice Cream Station, a restaurant on the same block.

Now that's cross-promotion!

For more information on Cross-promotion and examples of other potential tactics, please visit reSTORE DC's website at restoredc.dc.gov

Barry Margeson directs the Enhanced Business Information Center for reSTORE DC. Prior to his work in DC, he owned two small businesses and provided marketing consulting in Boston.

The 1500 block of U Street is a center of cross-promotion. In the past two years, the businesses on the block have developed three very different cross-promotional solutions. Read this interview with Jackie Flanagan from Nana, a women's clothing shop, to find out just how easy it was.

CAN YOU TELL ME ABOUT THE SHOPPER'S SOCIAL?

The Third Thursday Shopper's Social is a really inexpensive, fun way to market a lot of the great businesses that are in the neighborhood. The investment [Nana] makes for each month's Shopper's Social is only \$50.00! And we make in three hours what we make on a typical Saturday. So it's like adding an extra weekend day to your month of sales and also creating this amazingly fun event where everyone is smiling. Shoppers feel so special because they have a discount that is geared just for them. They feel like they're "in the know" because they're getting a benefit for being on your mailing list ... and of course, using your mailing list is free. And they feel like they're a part of the community.

We get a great night of sales where we are actually getting to know our customers even more. Because they know you and because it is a relaxed environment, they are a lot more vocal about what they like and don't like, which I find is a huge help. Also, you get to see the faces of the people who support your business month after month. You get to know their names. You get all these great things, and because of it all they actually want to buy more.

SO WHAT IS THE BREAKDOWN IN TIME AND ENERGY?

Each Shopper's Social takes me a trip to the grocery store and three e-mails.

One e-mail goes to the press and just says, "This is when our next Shopper's Social is."

I send one email to all the businesses that says, "This is what we're doing, if you want to join, go for it." There are no meetings, it doesn't take time away from anyone's business to plan it. It just is what it is.

And then I send an e-mail to all of the shoppers on our mailing list.

DID YOU START IT?

I think I did. Everyone says I did.

WHY DID YOU DECIDE TO DO IT? WAS THERE A LOT OF ORGANIZING TO GET THE EVENT UP AND RUNNING IN THE BEGINNING?

When I wrote my business plan, I decided that one of the marketing techniques that I wanted to use was to make a community of shoppers.

I started out by telling the women at Meeps. I said, 'Hey, this is what I'm going to do. I'm going to send an email to my list. I'm going to have a few bottles of wine and some snacks and a non-alcoholic beverage. If you all want to do it, I'll say that you're also doing it and you can announce on your mailing list that I'm also doing it.'

The first time I did it, we got a huge response. For me anyways, a small business, it was a great response ... in three hours. So I thought, pretty good. Maybe I should tell everyone else.

So whenever I would see anyone, I would say, 'This is what I'm doing. I'm finding that it's efficient and fun and a revenue builder. If you wanted to do it also, I would say what your special is and you could say what my special is.'

Leann and Danni from *Meeps* just jumped in and said "We're gonna help." Leann's good at graphic design, so now all I do is send out an email to all the email addresses of the nearby business owners and say, "Send your discounts and a quick one-line blurb to Leann," and she puts them together and she creates a fun graphic once a month ... something that's really pretty with color. And she sends it to everyone and everyone sends it to their own mailing list. And then we see what happens.

And as time goes by, people are having more fun with the event. Recently, I've noticed that they are kind of racing to get to all of the shops in one night! Which is so cool. They'll say, "Meeps has got 'Buy one, get one free,' and if I hurry to Junction, I'll get another glass of wine and they've got a 'Luck of the Draw' drawing. And we'll end up at CakeLove and get a smoothie that's 25% off."

Another thing about it is it's really not a cliquey U street thing. Whoever wants to do it, they're totally welcome. It's just the Third Thursday Shopper's Social. I don't even put U Street anymore. Because it's for whoever's in the area. If anyone wants to do it. They do it. Last time I think we had eight businesses.

HOW ABOUT THE 1500 BLOCK MAP THAT WAS CREATED? HOW DID THAT COME ABOUT?

The map was something where Leean said "I'm tired of spending so much time telling everyone where everything else is on the block and so many great things are on the block so I created a map." So that was it. She just sent an email to everyone that said, "I created a map. I just have a name and address. If you want to write what you have or a tagline, I'll put it in." No big deal. And she did this and sent the pdf to everyone.

And whoever wanted to put it at their register had it printed. I just had a bunch of card stock so I print them at home and cut them in half lengthwise. It's great. We give it out all the time. No meetings. We needed something and someone did it.

THERE ARE ALSO THESE NEAT SHOPPING PASSPORTS FOR THE BLOCK, RIGHT?

The passports are an idea that [Owner of Wild Women Wear Red] Toddre had. She just decided, "what if we do a group discount?" We all sent her an okay and she did the rest. She had a graphic designer do it so I think each business paid less than \$20 to have it done, but that's it. Then she sent the pdf to everyone. They got printed and we stamped them and people use them!

DO YOU HAVE ANYTHING ELSE IN MIND FOR DOWN THE ROAD?

The next one I want to do is a Sunday Brunch event once a month. Sundays are an awesome weekend day. It's the second biggest day of the week. But if once a month we can create a fun event, like mimosas and orange juice in classic champagne glasses while you shop with jazz playing ... It's just another community builder! I don't want to do too many things and I don't want this to cost us a lot of money. It's something that's directed at customers so that they recognize how special they are and I get a chance to appreciate them and build the business.

DO YOU HAVE ANY ADVICE FOR OTHER BUSINESS THAT WANT TO DO SOMETHING SIMILAR?

Do something fun and smart, tell your neighbors about it, and hopefully more stores in your community of retailers will find that it is worthwhile. Sometimes, you don't need to have meetings or build consensus. You just do something, and when it works, you invite others to share in the success.

—Interview by Barry Margeson



restoreingdc

801 North Capitol Street, NE
Washington, DC 20002
www.restoredc.dc.gov